

minds on the desirability of making an intensive effort to move ahead simultaneously on all tracks of the peace process, bilateral and multilateral, as well as on the important role that would be played by the United States in support of the process.

President Clinton assured Prime Minister Barak that the United States would be ready to assist and contribute in any way it can to achieving an historical reconciliation that will usher in a new era of peace, security, prosperity and cooperation in the Middle East. In this context, he reiterated the U.S. commitment to help Israel minimize the risks and costs it incurs as it pursues peace and affirmed the broad U.S. backing that would be accorded to Israel, to facilitate the pursuit of peace.

Recognizing that the U.S.-Israel relationship serves as a cornerstone for pursuing peace, they vowed to strengthen and deepen this unique relationship, which is based on shared democratic values, bonds of friendship, common interests and joint cooperation in so many areas of human endeavor. President Clinton reiterated the steadfast commitment of the United States to Israel's security, to maintain its qualitative edge, and to strengthen Israel's ability to deter and defend itself, by itself, against any threat or a possible combination of threats.

The United States and Israel will sign a Memorandum of Understanding (MOU) which will express their joint intention to restructure U.S. bilateral assistance to Israel. The MOU will state the United States' intention to sustain its annual military assistance to Israel, and incrementally increase its level by one-third over the next decade to a level of \$2.4 billion subject to Congressional consultations and approval. At the same time, the MOU will provide for a gradual phase-out of U.S. economic aid to Israel, over a comparable period, as the Israeli economy grows more robust, less dependent on foreign aid, and more integrated in world markets.

The two leaders also reviewed the status of the U.S.-Israeli defense relationship and agreed that existing defense channels of coordination and cooperation work effectively. These would have to be further consolidated and strengthened under a Defense Policy

Advisory Group (DPAG) to meet the new challenges of WMD, counter proliferation (CP) and theater missile defense (TMD). The Group will coordinate and plan the cooperation between the U.S. Department of Defense and the Israeli Ministry of Defense.

In addition, the two leaders agreed on the components of the \$1.2 billion military aid package for Israel that the Administration has already requested from Congress. The President assured the Prime Minister of his intention to work closely with the Congress to seek expedited action for funding, starting in FY 1999, for this package to support Israel as it implements the Wye River Memorandum. The package will have three components:

- Assistance to the Israeli Defense Forces as they carry out further redeployments, including projects which will be managed by the U.S. Army Corps of Engineers.

- Assistance in meeting Israel's broader strategic requirements, including Theater Missile Defense (TMD), helicopters, and communications equipment and munitions.

- Assistance in meeting the increased cost of Israeli counter-terrorism efforts.

The two leaders also agreed on the importance of spreading the benefits of peace to all those who participate in the process. In that context, they expressed support for the \$400 million in assistance to the Palestinian people and \$300 million for Jordan that is part of the Administration's request to Congress to support implementation of the Wye River Memorandum.

President Clinton and Prime Minister Barak agreed that Israel faces new challenges in the strategic arena, particularly the proliferation of weapons of mass destruction and ballistic missiles that threaten to undermine Israel's security. In this context, the two leaders agreed to step up the overall bilateral cooperation and coordination, as well as to implement a number of measures designed to help Israel meet these emerging threats:

- The United States will provide funding for Israel's acquisition of a Third Arrow battery that will enhance the protection of Israel's citizens from ballistic missile attacks.

The United States and Israel will expand their collaborative efforts to develop new technologies and systems designed to deal with ballistic missiles.

The two leaders will establish a Strategic Policy Planning Group (SPPG), composed of senior representatives of the relevant national security entities of both countries. It will be tasked to develop and submit recommendations on measures to bolster Israel's indigenous defense and deterrent capabilities, as well as the bilateral cooperation to meet the strategic threats Israel faces. The SPPG will also consider ways to minimize risks and costs, to enhance Israel's security, and address its other needs related to national security which arise in the context of steps Israel might take to achieve a comprehensive peace. The SPPG will report to the President and the Prime Minister at four month intervals. The two leaders agreed to meet in joint session at regular intervals.

Another area of mutual concern that was discussed between the two leaders was the growing threat of WMD terrorism. This was acknowledged to be an area in which both countries stood much to gain from each others knowledge and experience. In order to enhance their capability to deal effectively with this threat, it was agreed to sign a new MOU between their respective national security institutions. It would facilitate broad cooperation between the various government agencies in both countries in all areas associated with preparing and responding to WMD terrorism.

One specific area of economic cooperation discussed between the two leaders pertains to water resources. They have noted the growing scarcity of water in the Middle East, and also recognized the potential inherent in bilateral, as well as regional, cooperation to turn water from a potential source of conflict into a force of regional stability and prosperity in the region. Toward that end, the United States has pledged to work with Israel, both bilaterally and with other regional partners and their private sectors, to promote the development of new and additional sources of water, including desalination, and to examine

ways to transfer water to arid lands, and to manage existing water resources more efficiently. A joint task force will explore specific measures that could be carried out in this domain, and will submit its recommendations to President Clinton and Prime Minister Barak by the end of 1999.

The President and the Prime Minister have also agreed that promoting tourism to Israel and the entire region presents a unique opportunity to promote cooperation and spread economic benefits to the peoples of the Middle East. Both sides agreed to explore specific steps to develop this unique potential together, and with other interested regional partners and their private sectors, beginning the fall of 1999.

Finally, President Clinton and Prime Minister Barak agreed that scientific cooperation between Israel and the United States will benefit the peoples of both countries, as they enter the 21st century. In this context, they agreed to enhance cooperation in the peaceful uses of space. A joint working group of NASA and the Israel Space Agency (ISA) will be established to develop new areas of joint cooperation, including educational activities, scientific research and the development of practical applications in the peaceful use of space for the benefit of people around the world. The President also informed the Prime Minister that an Israeli astronaut and payload of Israeli experiments would fly on a shuttle mission in the year 2000.

Upon concluding the Prime Minister's visit, the two leaders expressed their shared conviction that these meetings have laid the foundations for a vigorous effort to bring an end to the Arab-Israeli conflict, as well as for even closer American-Israeli ties based on the U.S. ironclad commitment to Israel's security. The two leaders called upon the other leaders of the region to lend their support to this effort to bring comprehensive peace, security, and prosperity to the peoples of the Middle East.

NOTE: An original was not available for verification of the content of this joint statement.